Message Text

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INFO AMEMBASSY BANGKOK

AMEMBASSY CANBERRA

AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

AMEMBASSY MOSCOW

USLO PEKING

AMEMBASSY RANGOON

AMEMBASSY SINGAPORE

AMEMBASSY TAIPEI

AMEMBASSY TOKYO

CINCPAC HONOLULU HI

DIA WASHDC

C O N F I D E N T I A L HONG KONG 777

NOFORN

CINCPAC FOR POLAD

E.O. 11652: XGDS-2 TAGS: PINT, PFOR, CH

SUBJECT: CHOU'S REPORT TO NATIONAL PEOPLE'S CONGRESS

SUMMARY. IN HIS REPORT TO THE CONGRESS PREMIER CHOU SPOKE POSITIVELY BUT GUARDEDLY, OF SINO-U.S. RELATIONS, CHIDED THE SOVIETS FOR NOT DOING THE LITTLEST BIT TO IMPROVE SINO-SOVIET RELATIONS, AND CALLED ATTENTION TO CHINA'S VIEW OF A NEW THREAT OF WORLD WAR. ON DOMESTIC AFFAIRS, CHOU OFFERED A NEW VISION OF OVERLAPPING ECONOMIC PLANS EXTENDING TO THE END OF THE CENTURY, CONFIDENTIAL

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A SCHEME IMPLICITLY CALLING FOR POLITICAL STABILITY. END SUMMARY.

- 1. PREMIER CHOU'S REPORT TO THE NATIONAL PEOPLE'S CONGRESS (NPC) JANUARY 13 IS A BRIEF, CAUTIOUS STATEMENT OF PRC POLICY AND OUTLOOK.
- 2. SINO-U.S. RELATIONS. PREMIER CHOU HAS ACKNOWLEDGED IMPROVEMENT IN U.S.-CHINA RELATIONS OVER THE PAST THREE YEARS, DUE "TO EFFORTS OF BOTH SIDES," AND PREDICTED CONTINUED IMPROVEMENT "SO LONG AS THE PRINCIPLES OF THE SHANGHAI COMMUNIQUE ARE CARRIED OUT IN EARNEST." HIS BRIEF ASSESSMENT CONVEYS NO DISAPPOINTMENT WITH PROGRESS THUS FAR AND ONLY REQUIRES--BUT DOES NOT PRESSURE FOR--FURTHER CARRYING OUT OF THE SHANGHAI COMMUNIQUE "IN EARNEST," BY IMPLICATION, PROOF OF SINCERITY BY THE U.S. ON THE TAIWAN ISSUE. TAIWAN ITSELF IS MENTIONED TOWARDS THE END OF CHOU'S SPEECH, WHEN, ALMOST IN PASSING, HE GIVES THE USUAL STATEMENT ON PRC DETERMINATION TO "LIBERATE TAIWAN."
- 3. IN CONTRAST TO THIS GUARDEDLY POSITIVE ASSESSMENT OF RELATIONS WITH THE U.S., CHOU STATED THAT RELATIONS WITH THE SOVIETS HAVE WORSENED, HAVING POINTED UP THE FACT THAT "FUNDAMENTAL DIFFERENCES" BETWEEN THE PRC AND THE U.S. HAVE NOT PRECLUDED AN IMPROVED BILATERAL RELATIONSHIP, CHOU AGAIN CALLS FOR IMPROVEMENT IN SINO-SOVIET STATE RELATIONS WHILE MAINTAINING IDEOLOGICAL ESTRANGEMENT. HE CONDEMNS SOVIET PERFIDY AND INTRANSIGENCE ON THE BORDER DISPUTE, AND ENCOURAGES SPECULATION ABOUT BORDER CLASHES BY CHARGING THE SOVIETS WITH FAILING TO DO ANYTHING TO PREVENT ARMED CONFLICT. HE REITERATES THE CHINESE PROPOSALS OF LAST NOVEMBER 6 AND "ADVISES" THE SOVIETS TO "NEGOTIATE HONESTLY, DO SOMETHING TO SOLVE A BIT OF THE PROBLEM." THIS APPEARS TO BE PRIMARILY ANOTHER SALVO IN THE SINO-SOVIET PROPAGANDA WAR; HOWEVER, IT WOULD SEEM TO COMMIT PEKING TO RESPOND POSITIVELY TO A MINIMAL GESTURE OF INTEREST ON THE SOVIET SIDE, AND THUS BEARS WATCHING.
- 4. BY TAKING IT UP IN HIS REPORT, CHOU DRAWS ATTENTION TO THE RECENT PRC THEME OF THE DANGER OF A "NEW WORLD WAR" BUT HE DOES NOT CLARIFY THE CHINESE PERCEPTION OF THE THREAT. IN FAMILIAR TERMS, HE DEPICTS THE ECONOMIC CRISIS AS CONTRIBUTING TO THE SHARPENING OF CONTRADICTIONS AND TO AN INTENSIFICATION OF SUPERPOWER CONTENTION. HE CONDEMNS THE SUPERPOWERS AS THE "SOURCE CONFIDENTIAL

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OF A NEW WORLD WAR" BUT HEDGES THIS PREDICTION BY CLAIMING ONLY THAT WAR WILL OCCUR "SOME DAY." HE SUGGESTS THE POSSIBILITY THAT WAR MIGHT BE PRECLUDED BY REVOLUTION. HOWEVER, THE FORMER PRC STRESS ON REVOLUTION FIRST AND THE POSSIBILITY OF WAR SECOND IS CLEARLY ALTERED IN CHOU'S ADDRESS (HONG KONG 307).

5. CHOU VOICES THE STANDARD PRC LINE ON THE THIRD WORLD AS THE "MAIN FORCE" COMBATTING SUPERPOWER HEGEMONISM AND THAT CHINA

IS A MEMBER OF THE THIRD WORLD. HE GIVES MORE ATTENTION, HOWEVER, TO THE SECOND WORLD, STRESSING THE NEED FOR EUROPEAN UNITY. THIS IS CONSISTENT WITH THE CURRENT FLOW OF EUROPEAN LEADERS VISITING CHINA AND POINTS UP CHINA'S VIEW OF EUROPE AS THE FOCAL POINT OF THE THREAT OF WAR. CHOU ALSO PROMISES COOPERATION WITH THE JAPANESE AND HE IS OBVIOUSLY LOOKING FORWARD TO A PEACE TREATY.

6. INTERNAL. THE MAJOR THRUST OF CHOU'S SPEECH IS AN IMPLICIT CALL FOR A LONG PERIOD OF DOMESTIC STABILITY SO THAT CHINA CAN CONCENTRATE ON ITS ECONOMIC DEVELOPMENT. ONCE THE WADDING OF MAO QUOTES AND REFERENCES TO CONTINUING THE POLITICAL REVOLUTION IS PEELED AWAY, THE CORE OF THE PREMIER'S REPORT IS A NEW VISION OF ECONOMIC PLANS EXTENDING BEYOND THE PRESENT YEARLY AND FIVE-YEARLY MODELS TO A TEN-YEAR PLAN AND EVEN A TWENTY-OR-SO YEAR PLANNING GOAL OF DEVELOPING CHINA INTO A "POWERFUL MODERN SOCIALIST COUNTRY" BEFORE THE END OF THIS CENTURY.

7. OBVIOUSLY TO REACH THIS DEVELOPMENT GOAL WILL REQUIRE THE PURPOSEFUL ENCOURAGEMENT OF THE CHINESE WORK ETHIC, THE "DILIGENCE AND THRIFT" AND EXERTION OF WHICH CHOU'S REPORT REPEATEDLY APPEALS, LEAVING LITTLE ROOM FOR DISRUPTIVE POLITICAL CAMPAIGNS AND STRUGGLES. THIS IS UNDERSCORED WHEN CHOU ALTERS THE CUSTOMARY MAO DICTUM ON CRITICISM TO TURN THE CALL TOWARD "SELF-CRITICISM", AND WHEN HE EMPHASIZES THAT CRITICISM OF OTHERS MUST BE "ACCURATE." THERE IS NOT THE LEAST ECHO OF LAST YEAR'S MILITANT CRY FOR "GOING AGAINST THE TIDE."

8. SIGNIFICANTLY, CHOU CITES "MAO'S INSTRUCTIONS" AT THE THIRD NATIONAL PEOPLE'S CONGRESS TEN YEARS AGO AS THE BASIS FOR THIS VISION OF PLANNED AND STAGED ECONOMIC DEVELOPMENT, " SO THAT OUR NATIONAL ECONOMY WILL BE ADVANCING IN THE FRONT RANKS OF THE WORLD." RESORT TO SUCH STALE INSTRUCTION FROM MAO SUGGESTS CONFIDENTIAL

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THAT THE CHAIRMAN HAS SAID NOTHING RECENTLY--NOTHING, AT LEAST, WHICH CAN BE PUBLICLY CITED--ENDORSE A NEW CONCENTRATION ON PRODUCTION. THIS ADDS TO THE CURIOSITIES AND UNCERTAINTIES ABOUT MAO'S ATTITUDE--HIS APARENT DISASSOCIATION--WHICH SO MARK CURRENT TOP LEVEL DEVELOPMENTS.

9. CHOU IN HIS REPORT SPOKE OF THE MILITARY ONLY IN ITS
NATIONAL DEFENSE ROLE AND WE WOULD GUESS THAT, CHAACTERISTICALLY,
HE HAS AVOIDED GOING INTO SENSITIVE MATTERS WHERE IT IS
UNNECESSARY. AS FOR THE LEFT, CHANG CHUN-CHIAO'S SPEECH AT THE
CONGRESS STUCK CLOSE TO HIS ASSIGNED SUBJECT OF THE NEW
CONSTITUTION AND OFFERED NONE OF THE CONTRAST IN OUTLOOK WHICH
WAS SO APPARENT IN THE SPEECHES OF CHOU AND WANG HUNG-WEN MADE
AT THE 1973 PARTY CONGRESS.

10. THE KEY WORDS IN CHANG'S MOUTH MAY HAVE BEEN ZNECESSARY FLEXIBILITY," THE PHRASE HE USED TO DESCRIBE THE PRAGMATIC GRADUALISM WITH WHICH CHINA CURRENTLY BUILDS SOCIALISM (HONG KONG 725). AS BOSS OF CHINA'S MAJOR INDUSTRIAL AND FINANCIAL BASE IN SHANGHAI, AS WELL AS THE FOREMST LEFTIST WINNER AT THE CONGRESS, THERE SHOULD BOUBTLESS BE A PLACE FOR NEWLY-PROMOTED VICE PREMIER CHANG IN CHOU'S SCHEME OF THINGS. CROSS

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